

RETIREMENT BENEFITS FACT SHEET FIRE TIER 1 CLASSIC*

Contributions	
Employee	15.94% of Base Salary (Pension: 11.94%, VEBA: 4.00%) As of 6/23/2024
City	Pension: 36.57% (Normal Cost) + Flat dollar amount (UAL) As of 6/23/2024
Service Required to Leave Contributions in Retirement Plan	10 years
Voluntary Employee Beneficiary Association (VEBA)	
VEBA Contributions	<p>Fire Tier 1 Classic employees in IAFF are mandated to contribute 4.00% of base salary to the VEBA. Unit 99 employees are not eligible to contribute to VEBA. The funds in the VEBA may be used to reimburse post-retirement out-of-pocket health care costs incurred by you, your spouse, and qualified dependents on a pre-tax basis. There is no "vesting period" for the VEBA.</p> <ul style="list-style-type: none"> Contact VOYA Financial at (877) 464-4748 for more information about how to access your VEBA account and direct your investments. The Office of Retirement Services does not administer the VEBA. Visit www.sanjoseca.gov/VEBA or contact veba@sanjoseca.gov for additional information.
Service Retirement	
Age/Years of Service	50 with 25 years of service 55 with 20 years of service 30 yrs service at any age (with reciprocity, must be 50 yrs of age) Mandatory retirement at 70 years of age
Early Retirement	50-54 with 20 years of service (Discounted pension) Allowance reduced pursuant to Municipal Code 3.36.810
Deferred Vested Retirement	55 with 10 years' service only if 20 years have elapsed from date of membership. (You can begin receiving your benefits at age 50 if you have at least 25 years of service.)
Allowance	First 20 years of City Service: 50% of final compensation (2.5% per year) Beginning of 21 st year of City service: 3% per year of service X Final Compensation (90% max) – All years convert to 3% after 20 years of service (Deferred Vested - Must have separated on or after 7/1/2008).
Disability Retirement (Service Connected)	
Eligibility	No minimum years of service. Must apply when an active employee or within one month after separation or retirement from City. At time of application, must be incapacitated from the performance of duty as a result of injury or disease arising out of and in the course of employment with the City of San José as approved by the Board.
Allowance	<20 years of service: 50% of Final Compensation Beginning of 21 st year of service: 3% per year of service X Final Compensation (90% max)
Disability Retirement (Non-Service Connected)	
Eligibility	Minimum 2 years of service. Must apply when an active employee or within one month after separation or retirement from City. At time of application, must be incapacitated from the performance of duty as a result of injury or disease arising out of and in the course of employment with the City of San José as approved by the Board.
Allowance	<20 years of service: 32% of Final Compensation plus 1% for each full year in excess of 2. (50% max) Beginning of 21 st year of service: 3% per year of service X Final Compensation (90% max).
Reciprocity	
Reciprocity	<p>As of September 30, 1994, the City of San José adopted a reciprocal agreement with CALPERS. This may result in improved benefits for members who transfer between CALPERS and this retirement plan. Please call Retirement Services or CalPERS for more information.</p> <p>Please Note: If you break reciprocity (for example, retiring at your reciprocal agency prior to retiring with San Jose), you may be placed into Tier 2 upon retirement. Final eligibility for Classic Benefits is determined at the time of retirement.</p> <p>In addition, if you do not retire directly from active service with San Jose or a reciprocal agency, you may be subject to Deferred Vested benefits with San Jose instead of Classic benefits.</p>
Cost-of-Living Adjustments (COLA)	
COLA	Retirees are eligible for a 3% annual cost-of-living adjustment (COLA). Regular COLAs are compounded and paid each February. There is no proration of COLA.

*Employees with "Classic" membership from a CalPERS or reciprocal agency. A CalPERS "Classic" member is a member who previously worked for a CalPERS or other reciprocal agency and meets the following criteria: 1. First established CalPERS membership or membership in a CalPERS reciprocal agency prior to January 1, 2013, 2. AND is hired by the City of San Jose after a break in service of less than six months 3. AND did not have concurrent (overlapping) service with the other agency. City of San Jose *Reciprocity Election Form* must be submitted within thirty (30) days of the first day of employment with the City. **Employees in Tier 1 Classic are not eligible for the defined benefit retiree healthcare plan.**

RETIREMENT BENEFITS FACT SHEET FIRE TIER 1 CLASSIC*

SURVIVORSHIP BENEFITS

Death Before Retirement*	
Non-Service Connected Death with less than 2 years of service	Return of contributions, plus interest, to surviving spouse/domestic partner, surviving children, or estate or \$1,000, whichever is greater [SJMC 3.36.1250 (C-E)]
Non-Service Connected Death with more than 2 years of Service, but <u>not</u> eligible for a service retirement	<p><u>To surviving spouse/domestic partner:</u> 24% +.75% for each year in excess of 2 x Final Compensation (37.5% maximum) [SJMC 3.36.1270(E), 1280 (B)]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1210 (G), 1300 (B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1210(G), 1300 (D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1210(G), 1300 (F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200(I)]</p>
Non-Service Connected Death before retirement, but while eligible for service retirement	<p><u>To surviving spouse/domestic partner:</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC 3.36.1200(A),(F),1270(E)]</p> <p>For example:</p> <p>Member's benefit = 81% Survivorship benefit = 40.5% of Final Compensation</p> <p>Member's benefit = 84% Survivorship benefit = 42% of Final Compensation</p> <p>Member's benefit = 87% Survivorship benefit = 43.5% of Final Compensation</p> <p>Member's benefit = 90% Survivorship benefit = 45% of Final Compensation</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1200 (G), 1300(B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1200(G), 1300(D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1200(G), 1300(F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200 (E), 1200(I)]</p>
Service-Connected Death regardless of years of service	<p><u>To surviving spouse/domestic partner:</u> 37.5% to 45% of member's Final Compensation depending on the years of service [SJMC3.36.1200(F),1270(B)]</p> <p><u>and</u> to surviving children :</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1200 (G), 1300 (B2)]</p> <p>2 Children: Final Comp x 50% [SJMC 3.36.1200 (G) , 1300 (D2)]</p> <p>3 Children: Final Comp x 75% [SJMC 3.36.1200 (G) , 1300 (F2)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions, plus interest, to estate or \$1,000, whichever is greater [SJMC 3.36.1200(E), 1200(I)]</p>
Deferred Vested Death before retirement, but <u>not</u> eligible for service retirement	Return of Contributions plus interest or \$1,000, whichever is greater. [3.36.1680]
Deferred Vested Death Before retirement, but while eligible for service retirement	<p><u>To surviving spouse/domestic partner:</u> 1.875% x Years of Service x Final Compensation. Maximum 37.5% [SJMC 3.36.1640]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 1.25% x Years of Service, Maximum 25% [SJMC 3.36.1660(B2)]</p> <p>2 Children: Final Comp x 1.50% x Years of Service, Maximum 50% [SJMC 3.36.1660(B3)]</p> <p>3 Children: Final Comp x 2.50% x Years of Service, Maximum 75% [SJMC 3.36.1660(B4)]</p> <p>If no surviving spouse/domestic partner nor surviving children: Return of contributions interest, to estate. [SJMC 3.36.1660(A2)]</p>

RETIREMENT BENEFITS FACT SHEET FIRE TIER 1 CLASSIC*

Death After Retirement**	
Service Retirees and Service-Connected Disability Retirees	<p><u>To surviving spouse/domestic partner (unmodified):</u> 37.5% to 45% of member's Final Compensation depending on the years of service and date of retirement [SJMC 3.36.1230, 1270(B-E)]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1230(D), 1300(B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1230(D), 1300 (D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1230 (D), 1300(F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [SJMC 3.36.1230(E)]</p>
Non-Service Connected Disability Retirees	<p><u>To surviving spouse/domestic partner (unmodified):</u> 24% to 45% of member's Final Comp depending on years of service and date of retirement. [SJMC 3.36.1240(C), 1280(B,C,D)]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 25% [SJMC 3.36.1240(D), 1300(B1)]</p> <p>2 Children: Final Comp x 37.5% [SJMC 3.36.1240(D), 1300(D1)]</p> <p>3 Children: Final Comp x 50% [SJMC 3.36.1240(D), 1300(F1)]</p> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [SJMC 3.36.1240(E)]</p>
Deferred Vested Retiree Death After Retirement	<p><u>To surviving spouse/domestic partner:</u> 1.875% x Years of Service x Final Compensation. Maximum 37.5% [SJMC 3.36.1670]</p> <p><u>and</u> to surviving children:</p> <p>1 Child: Final Comp x 1.25% x Years of Service, Maximum 25% [SJMC 3.36.1670(B2)]</p> <p>2 Children: Final Comp x 1.50% x Years of Service, Maximum 50% [SJMC 3.36.1670(B3)]</p> <p>3 Children: Final Comp x 2.50% x Years of Service, Maximum 75% [SJMC 3.36.1670(B4)]</p> <p>If no surviving spouse/domestic partner nor surviving children: \$1,000 death benefit to estate [3.36.1670(A)]</p>
Optional Settlements	
Optional Settlements	Retiree may choose an optional settlement at retirement that reduces their allowance to provide a higher survivorship allowance to their spouse/domestic partner.
Post-Retirement Marriage	
Post-Retirement Marriage	If a retiree marries after retirement, the retiree can elect to take a reduction on their pension benefit to allow for a survivorship benefit to the surviving spouse/domestic partner. This election must be made within 90 days of marriage or establishment of domestic partnership. [3.36.1468(B3)]

**** The maximum total combined benefit payable to a surviving spouse/domestic partner and surviving children is 75% of final compensation. If necessary, the children's survivorship allowance will be reduced so that the total benefit does not exceed 75% of final compensation.**

Note: For retirement benefits, a domestic partnership must be State Certified. Please contact Retirement Services for more information.

The information contained on this Fact Sheet is a summary for the Fire Tier 1 Classic members of the Police and Fire Department Retirement Plan. Pension rules are complex and often difficult to understand. In the event of a conflict or inconsistency between the information on this document and the governing law, such as the San José Municipal Code, the governing law shall prevail.

For more information, please contact the Office of Retirement Services (ORS) at
(408) 794-1000; (800) 732-6477; retirement.dept@sanjoseca.gov, or www.sjretirement.com.